

Appendix K

SECURITY ASSISTANCE PROGRAM SHIPMENTS FOREIGN MILITARY SALES AND MILITARY ASSISTANCE PROGRAM

1. Shipments made under the Security Assistance Program require slightly different processes than most shipments in the DTS. In addition, security assistance shipments require an understanding of several terms not common to other shipments. This appendix explains those different processes and special terms, and is used with the general transportation procedures explained throughout **MILSTAMP**.

2. For transportation purposes, security assistance is defined in two categories:

a. The FMS program is that portion of United States security assistance under which the recipient provides reimbursement for defense articles and services transferred. It is authorized by ~~the Foreign~~ Assistance Act of 1961, as amended, and The Arms Export Control Act, as amended. The majority of FMS shipments involves a country freight **forwarder** located in CONUS as detailed in paragraph 3.d.(1), below.

b. The MAP is that portion of United States security assistance program which provides defense articles and services to recipients on a nonreimbursable or grant basis. MAP is authorized by the Foreign Assistance Act of 1961, as amended. Since MAP cargo is usually accepted by the recipient alongside the vessel at an overseas **WPOD**, the movement is normally made in the DTS until title transfers.

c. Both types of security assistance shipments (FMS and MAP) are identifiable by the unique character in the first position of the TCN or MI **LSTRIP** requisition document number. The character used for shipments sponsored by the Army is a "B"; by the **Air Force**, a "D"; by the **Marines**, a "K"; and by the Navy, a "P." FMS and MAP shipments can be differentiated from each other by the entries in the **fifth** position of the document number and first position of the supplementary address as explained in paragraph 3. b., below, and figure K-2 respectively.

3. Prior to making a security assistance program shipment, the shipper determines information somewhat differently than for **MILSTRIP** shipments to DoD activities.

a. The TCN for a security assistance shipment is based on ~~the~~ **MILSTRIP** requisition document number. It is constructed and assigned as detailed in appendix C, paragraph 3. The MI **LSTRIP** document number appears on the **DD Form 1348-1A, Issue Release/Receipt Document**; **DD Form 250, Material Inspection and Receiving Report**; **DD Form 1149 Requisition and Invoice/Shipping Document**; **Purchase Request**; **Contract**; **Amended Shipping Instruction (ASI)**; or any other document which may result in a security assistance shipment. Unlike other **MILSTRIP** shipments, a new requisition and document number must be obtained from the requisitioner if the number of multiple shipments is too great to be accommodated by partial and split shipment codes; locally assigned TCNS are not used.

b. All FMS shipments are a result of a negotiated agreement. One of the elements included in the agreement is represented by the delivery term code (**DTC**).

(1) The DTC identifies the point at which the responsibility for moving an FMS shipment passes from the ~~DoD to~~ the purchasing nation or international organization. It is the fifth position (~~rp~~ 34) of the **MILSTRIP** requisition number and perpetuated in **MILSTAMP** transactions to indicate the agreed terms of responsibility for delivery of the materiel. Title to the materiel usually passes at the origin regardless of the delivery terms. Figure K-1 is a list of DTCS complete with explanations.

(2) Accurate use of the DTC is essential since the cost of all transportation services is paid by the purchaser either through inclusion of the cost in the price of the item, by direct payment to the carrier(s), or by reimbursement to the United States. The Security Assistance Accounting Center (**SAAC**) reimburses the DoD Services and Agencies for all services performed in administering the FMS program. Using standard accessorial rates, the **SAAC** billing system adds the costs of packing, crating, and handling (PC&H) as well as transportation to the selling price of the materiel being shipped. While FMS customers are billed according to standard accessorial rates, SAAC reimburses the **TCCs** according to **TCC** billing rates.

(3) If materiel must be shipped by means or under conditions different than specified by the DTC, the SAAC is notified in order to avoid over or under billing the recipient. The activity which determines the need for a deviation notifies the sponsoring service International Logistics Control Office (**ILCO**) (see figure K-3) prior to making the deviation. If deviation is approved, the **ILCO** notifies the SAAC. These deviations may be required for a variety of reasons such as:

(a) When the freight forwarder working for the FMS customer is unable to arrange transportation from a CONUS POE to the recipient country and it is necessary to divert the shipment to the DTS.

(b) When one DTC has been negotiated for an entire FMS case (purchase contract) and a few items of that case are ineligible for shipment under the terms of the assigned DTC. Such ineligible shipments are usually "exception materiel" as described in subparagraph (4).

(4) Exception materiel is materiel which, due to its peculiar nature or increased transportation risks, requires special transportation handling and deviation from normal shipping procedures. This materiel includes classified items, firearms, explosives, lethal chemicals and other hazardous materials that require rigid movement control, and air cargo of such size that the item exceeds commercial capability. While some freight forwarders can process some exception materiel, most of these shipments receive special consideration.

(a) Freight forwarders who have been cleared to handle classified shipments are listed in the MAPAD as indicated in subparagraph 3.d., below. All other shipments of classified materiel are forwarded (by GBL) to a military controlled POE, the country's embassy (consulate, mission, etc.), or other recipient determined by the sponsoring Service **ILCO**.

(b) Shipments of firearms are forwarded to the POE on a GBL. If the United States is responsible for over ocean movement, that segment is also by the DTS. Shipments are controlled according to DoD and Service regulations established for the protection of these items.

(c) Explosives must be shipped on a GBL or by the DTS to the POE.

(d) Air cargo which will not fit on commercial aircraft due to the item size maybe moved in the DTS.

c. The consignee of a security assistance shipment is identified by the six position MAPAC instead of the DoDAAC. The MAPAC is not the first six positions of the TCN, but is constructed from the **MILSTRIP** requisition number (or TCN) and the **MILSTRIP** supplementary address. The methods used to construct a MAPAC are detailed in-figure K-2

d. After determining the MAPAC, the clear text address and other shipping information is obtained by referring to DoD 4000.25-8-M, Military Assistance Program Address Directory (MAPAD).

(1) The MAPAD is a sole source directory containing the addresses of country representatives and freight forwarders, or other ship to/mark for locations, for use of the Services and Agencies when releasing FMS and MAP shipments and related documentation. It is separated into three sections. Section A contains policy and procedures, section B contains addresses for FMS shipments, and section C contains MAP addresses. The addresses listed are often for an international freight forwarder which is a private firm serving as an agent for an FMS customer. The forwarder usually receives, consolidates, and stages materiel within the United States for onward movement to the purchasing country. Note that sections B and C of the MAPAD are alphabetized by the two digit country code instead of the full country name.

(2) In the MAPAD, both sections B and C have columns headed TAC, **SII**, WPOD, and APOD in addition to the MAPAC and clear text address. These columns contain information essential to properly ship and document FMS or MAP materiel.

(a) In the MAPAD, TAC stands for type of address code and indicates the circumstances for using each of the several addresses listed. This type of **TAC** can only be found in the MAPAD; it is not shown on any **MILSTRIP** or MILSTAMP documents. The meaning of each TAC is detailed in Section A of the MAPAD and summarized below:

<u>TAC</u>	<u>EXPLANATION</u>
1	Unclassified materiel moving by small parcel carrier.
A	Classified materiel moving by small parcel carrier.
2	Unclassified materiel moving by other surface or air freight carrier.
B	Classified materiel moving by other surface or air freight carrier
3	FMS - For sending the notice of availability (NOA). MAP - For sending the supply and shipment status as well as copies of release/receipt documents.
4	For sending FMS supply and shipment status.
5	For sending copies of the FMS release/receipt documents on TAC 1 shipments.
6	For sending copies of the FMS release/receipt documents on TAC 2 shipments.
7	For identifying the activity responsible for payment of FMS transportation charges and to receive the consignee's copy of the inland earner GBL. (If a TAC 7 address appears under a MAPAC and the DTC is 4 or E, a commercial bill of lading is used with the TAC 7 address in the "bill to" space.)
9	For identifying obsolete MAPACS and the new, correct MAPAC.
M	For identifying a clear text "mark for" address used on FMS and MAP freight shipments. (Mark for addresses on small parcels are placed in a manner to prevent post office problems in identifying ZIP and APO/FPO codes; e.g., use only the MAPAC as the mark for address.)

(b) The special instruction indicator (**SII**) column provides additional information necessary to either document or ship the materiel. Specific explanations are detailed in the MAPAD.

(c) The **WPOD** and **APOD** columns indicate the overseas **WPOD/APOD** respectively, and are used on **MILSTAMP** documents when applicable. Unless the **delivery** term code is 7, alternate PODS are not used without first contacting the sponsoring Service **ILCO**.

4. Prior to releasing some FMS shipments, a notice of availability (NOA) **DD** Form 1348-5, is forwarded to the freight forwarder or other country representative as indicated in the MAPAD.

a. An NOA is required for classified, hazardous, or sensitive shipments, as well as those potentially difficult to receive, handle, or store due to size or weight. In addition, an NOA is required for shipments with a “f” or “Z” entry in the offer/release position (rp 46) of the supplementary address shown on the requisition document. An **entry** in the **SII** column of the MAPAD may indicate additional circumstances when an NOA is required. When an ETR is required, the ETR request and the NOA are sent at the same time.

b. When the NOA reply is received, the shipper processes the shipment as directed. If both an NOA and ETR are required, the ETR, not the NOA reply, is followed. Questionable instructions are coordinated with the sponsoring Service **ILCO**.

If rp 46 entry is	And no response to the NOA is received within 15 days, then the shipper
Y	Releases the shipment as indicated in the MAPAD.
Z or as described in paragraph the 4a.	Continues to hold the shipment and sends a second NOA (indicating it is a second notice) to the contact point designated (on the first page of the country section) in the MAPAD. If a reply is still not received, shipper contacts the ILCO as listed in figure K-3.

c. Additional instructions on use of the NOA are detailed in the MAPAD and in Service or Agency implementation of **MILSTRIP**. Note that NOAs are sent to the TAC 3 address unless the materiel is classified, in which case, the NOAs are sent to the country representative.

5. The shipper and other transportation entities must comply with other special considerations when processing security assistance shipments.

a. Security assistance shipments are labeled as outlined in chapter 2, paragraph B.4.b., and unique labels, color codes, or other special markings are not authorized. When such requests are received, the country representative is advised that such services must be obtained from the country’s freight **forwarder**.

b. When FMS items are sold on a credit basis, the movement overseas must be on U.S. flag vessels unless specifically authorized otherwise. Shipments which are financed by credit are indicated by a “Z” in the Type of Assistance position (rp 35) of the TCN.

c. Many commercial carriers have established reduced rates for US. Government shipments under Section 10721 of the 1978 revision to the interstate Commerce Act. These rates do not apply to FMS shipments; instead, commercial **carrier’s** tariffs are used. A notation is made on bills of lading as follows: “This is an FMS shipment, Section 10721 rates do not apply.” Likewise, reduced rates under the MSC Shipping Agreement or Container Agreement are not applicable to FMS shipments. FMS shipments moving on American flag ships within the DTS are booked under the commercial **carrier’s** ocean tariff rate.

d. Shipments may be held or suspended as outlined in DoD 5105.38-M, **Security Assistance Management Manual (SAMM)**, as well as individual Service directives.

e. When commercial bills of lading are used, the no recourse clause (section 7) is executed.

6. FMS shipment problems which cannot be resolved by the shipper and/or freight **forwarder** are referred to the Freight Forwarder Assistance Office at the Service **ILCO**. These contact points are listed in **figure K-3** and in the MAPAD.

FMS Delivery Term Codes

Part 1: Origin in CONUS

1. This part describes the DoD responsibility for transportation and handling costs incurred on FMS shipments originating in CONUS (see DTC 2 for exception). Paragraph a., is a summary of the responsibility and paragraph b., is a detailed explanation.

a. Summary of DoD responsibiliy:

<u>DTC</u>	<u>DoD Delivers</u>
2	To a CONUS inland point (or overseas inland point when the origin and destination are both in the same geographic area).
3	At the CONUS POE alongside the vessel or aircraft.
4	At the point of origin and usually forwards collect to a freight forwarder within CONUS, or contractor delivery of material procured offshore to designated freight forwarder of country representative.
5	At the CONUS POE on the inland carrier's equipment.
6	At the overseas POD on board the vessel or aircraft.
7	At an overseas inland destination on board the inland cam-et's equipment.
8	At the CONUS POE onboard the vessel or aircraft.
9	At the overseas POD alongside the vessel or aircraft .

b. Detailed explanation of DoD responsibility for CONUS originated FMS shipments.

<u>DTC</u>	<u>Explanation</u>
2	Delivery to an inland destination with origin and destination in CONUS or origin and destination in the same overseas geographic area. The DoD is responsible for transportation to the specified destination at which the customer is responsible for unloading, accepting custody, and subsequent onward movement. Expenses to the DoD for accessorial costs are reimbursable. This code which has limited use, is normally associated with shipments such as training items sent to DoD activities training foreign officers or excess materiel of one country filling a requirement of another country in the same geographic area.
3	Delivery to a point alongside vessel or aircraft at the POE (free alongside, port of embarkation, FAS POE). The DoD is responsible for transportation to a point within reach of the ship's tackle or alongside the vessel or aircraft. The customer is responsible for loading aboard the vessel or aircraft and subsequent onward movement. Expenses to the DoD for accessorial costs are reimbursable. This code has limited use.

Figure K-1

FMS Delivery Term Codes

DTC **Explanation**

- 4 **Delivery** at the origin. The materiel is made available to the customer at the point of origin (usually a depot, vendor's loading dock, or a disposal activity). The customer is responsible for all transportation and related costs. Accordingly, the shipment is sent to a freight forwarder designated by the customer with transportation by prepaid parcel post, on a CBL prepaid by the freight forwarder, or paid for on a collect **CBL**. (If a TAC 7 address is listed for the MAPAC, a CBL is issued and "billed to" that address rather than sending the shipment collect.) This code is considered the standard code and is applied to most FMS transactions.

Offshore procurement. **Delivery** at origin if customer has provided point of contact for offshore procured items. If no point of contact is provided, delivery will be at destination. Contractor is responsible for movement to designated freight **forwarder** of country representative.
- 5 Delivery to a POE (free onboard, FOB POE). The DoD is responsible for movement to the POE. The customer is responsible for unloading the shipment from the inland carrier at the POE, delivery alongside the vessel or aircraft, and all subsequent onward movement. Expenses to the DoD for accessorial costs are reimbursable. This code has limited use and is applied only when prior arrangements for the use of port facilities at the customer's expense have been made.
- 6 Delivery to an overseas POD. The DoD is responsible for transportation from the point of origin to the overseas POD. The customer is responsible for discharging the vessel or aircraft, port handling, and subsequent onward movement. Expenses to the DoD for accessorial costs are reimbursable. Shipments are made on GBLs and in the DTS (including AMC, MTMC water ports, and/or **MSC**). Port handling at CONUS and overseas air terminals is provided without direct reimbursement by the customer when shipment is made under actual AMC tariff rates (which include such services). The customer does provide reimbursement for port handling when movement costs are charged using the DoD accessorial rate. At United States operated overseas water ports, handling costs are reimbursed according to local agreements between the United States and the **customer**; at other overseas air and water ports, charges are paid directly by the customer. This code is the standard code for **materiel** that is restricted from movement to a freight forwarder. The code is normally applied to shipments of firearms, classified and explosive materiel, and in other instances specifically directed in the FMS case agreement.
- 7 Delivery to an inland point in the recipient country. The DoD is responsible for transportation, including transocean and overseas inland movement, from the point of origin, to a specified inland location. The customer is responsible for unloading the shipment from the inland carrier at the specified location and for all subsequent onward movement. Expenses to the DoD for accessorial costs are reimbursable. This code has limited use and normally applies to the shipment of materiel to those countries which have no **seaports** (e.g., Bolivia, Paraguay, Switzerland, and Austria). The shipper provides modes and routing from the origin to the consignee location by TGBL or by special arrangement with AMC, MSC, or U.S. military activities within the country for movement from the POD to the consignee location.

Figure K-1 (Cont.)

FMS Delivery Term Codes

DTC Explanation

- 8 Delivery onboard a vessel or aircraft at the POE. The DoD is responsible for transportation from the point of origin to the vessel at the POE including unloading from the inland carrier, port handling, and stowage aboard the vessel or aircraft. The customer is responsible for all subsequent onward movement. Expenses to the DoD for accessorial costs are reimbursable. Shipments are made on **GBLs**. This code is especially applicable for explosive materiel prohibited from movement by a freight forwarder, but which **must be** moved through military controlled port with onward movement arranged by and coordinated with the country freight forwarder.
- 9 Delivery to POD. The DoD is responsible for transportation from the point of origin to the overseas POD, including discharge from the vessel or aircraft. The customer is responsible for all subsequent handling and onward movement. Expenses to the DoD for accessorial costs are reimbursable.

Part II: Origin Overseas

1. This part describes the DoD responsibility for transportation and handling costs for FMS shipments originating overseas, moving to CONUS, and returning overseas. Paragraph a., is a summary of the responsibility and paragraph b., is a detailed explanation.

a. Summary of DoD responsibility:

DoD Provides Movement and Handling

<u>DTC</u>	<u>From</u>	<u>Through</u>	<u>To</u>
A	Overseas POE	CONUS destination	Overseas POD onboard the vessel or aircraft
B	Overseas POE	CONUS destination	CONUS POE onboard the vessel or aircraft
C	CONUS POD onboard the vessel or aircraft	CONUS destination	CONUS POE onboard the vessel or aircraft
D	CONUS POD onboard the vessel or aircraft	CONUS destination	Overseas POD onboard the vessel or aircraft
E	Customer has complete responsibility		
F	Overseas inland point	CONUS destination	Overseas inland destination

Figure K-1 (cont.)

<u>DTC</u>	<u>From</u>	<u>Through</u>	<u>To</u>
G	Overseas POE	CONUS destination	Overseas POD alongside vessel or aircraft
J	CONUS inland point (classified cryptographic materiel)		Overseas inland destination

b. Detailed explanation of DoD responsibility for FMS repair and return shipments originating from and returning to overseas:

FMS Delivery Term Codes

<u>DTC</u>	<u>Explanation</u>
A	The DoD is responsible for transportation from a designated overseas POE to a CONUS destination and subsequent return to a designated overseas POD. The customer is responsible for overseas inland transportation of materiel to and from the overseas POE/POD and overseas port handling.
B	The DoD is responsible for transportation from a designated overseas POE to a CONUS destination, return to a CONUS POE and CONUS port handling. The customer is responsible for overseas inland transportation to the overseas POE, overseas port loading, and all return transportation from the CONUS POE to ultimate destination.
C	The DoD is responsible for CONUS port unloading from the customer arranged carrier, transportation to and from a designated CONUS destination, and CONUS port loading of a customer arranged carrier. The customer is responsible for movement of materiel to and from the CONUS POD/POE.
D	The DoD is responsible for CONUS port unloading from the customer arranged carrier, transportation to a CONUS destination, and return to an overseas designated POD. The customer country is responsible for transportation to a CONUS POD, overseas port unloading, and overseas inland transportation to ultimate destination.
E	The customer is responsible for all transportation from the overseas point of origin to the CONUS destination and return to an overseas destination.
F	The DoD is responsible for transportation from an overseas inland location to an overseas POE, overseas port handling, transportation to a CONUS POD, CONUS port handling, inland transportation to a designated CONUS destination, and return to an overseas destination.
G	The DoD is responsible for overseas port handling through an overseas POE, transportation to a CONUS POD, CONUS port handling, inland transportation to a CONUS destination, return to an overseas POD and overseas port handling. Customer country is responsible for overseas inland transportation to and from the overseas POE/POD.

Figure K-1 (Cont.)

<u>DTC</u>	<u>Explanation</u>
H	The customer is responsible for all transportation from the overseas point of origin to the CONUS destination. The DoD is responsible for return transportation from the CONUS activity to the CONUS POE. The customer is responsible for return CONUS port handling and all transportation to the overseas destination. This code is required for return, repair or exchange, and reshipment of classified materiels.
J	The customer is responsible for all transportation from the overseas point of origin to the CONUS destination. The DoD is responsible for all transportation from the CONUS activity to the overseas destination. This code is required for return, repair or exchange, and reshipment of classified cryptographic materiels.

Figure K-1 (Cont.)

Constructing an MAPAC

An MAPAC is constructed from the requisition document number and supplementary address. The MAPAC is used as the consignee code on TCMDs and to find complete addressing information in the MAPAD. The following four examples illustrate the different methods of MAPAC construction.

Example A

FMS Shipment Through the DTS to Overseas

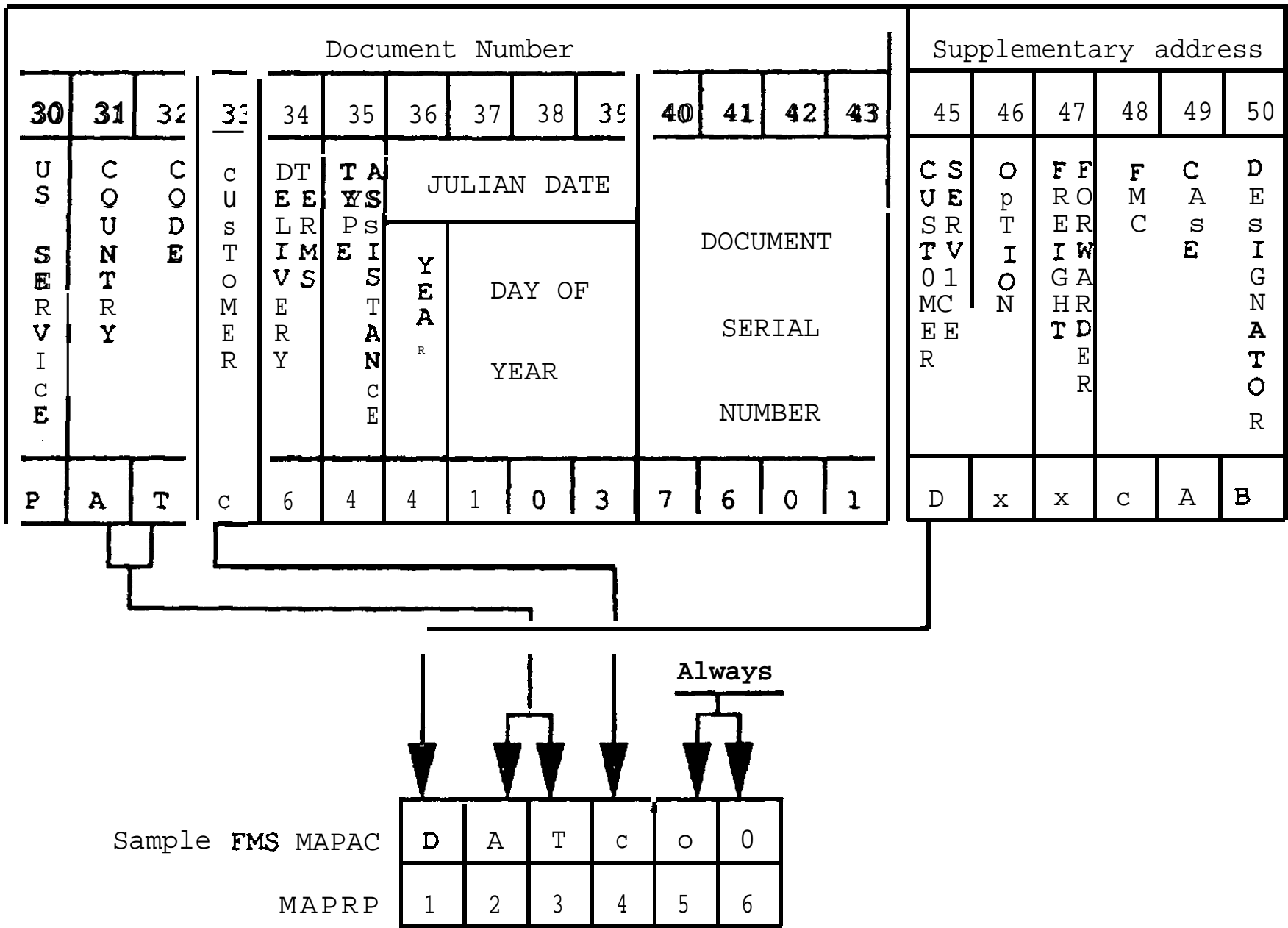
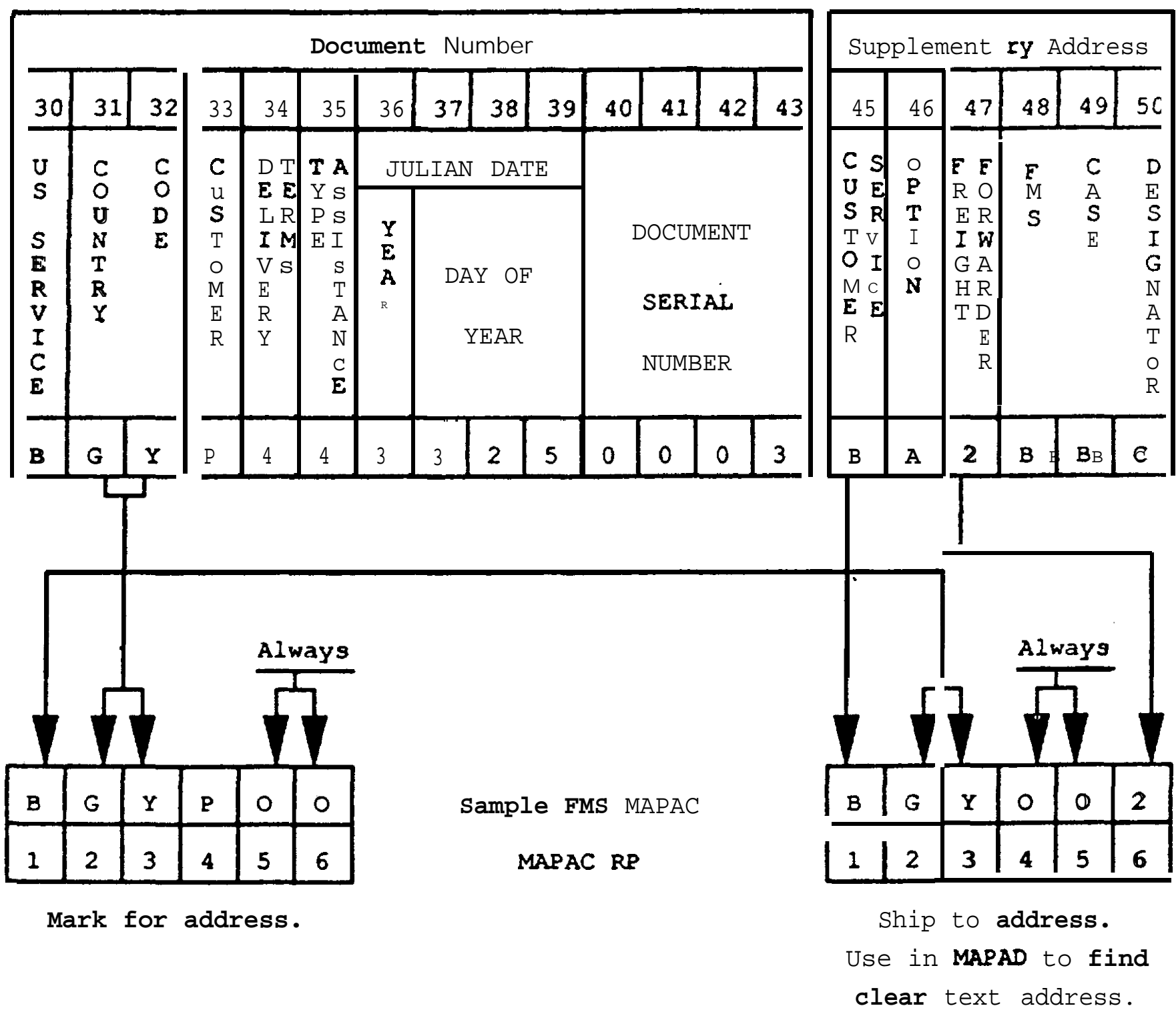


Figure K-2

Constructing an MAPAC

Example B

FMS Shipment to a Freight Forwarder



Constructing an MAPAC

Example C

FMS Shipment to a Canadian Customer (Ship Directly)

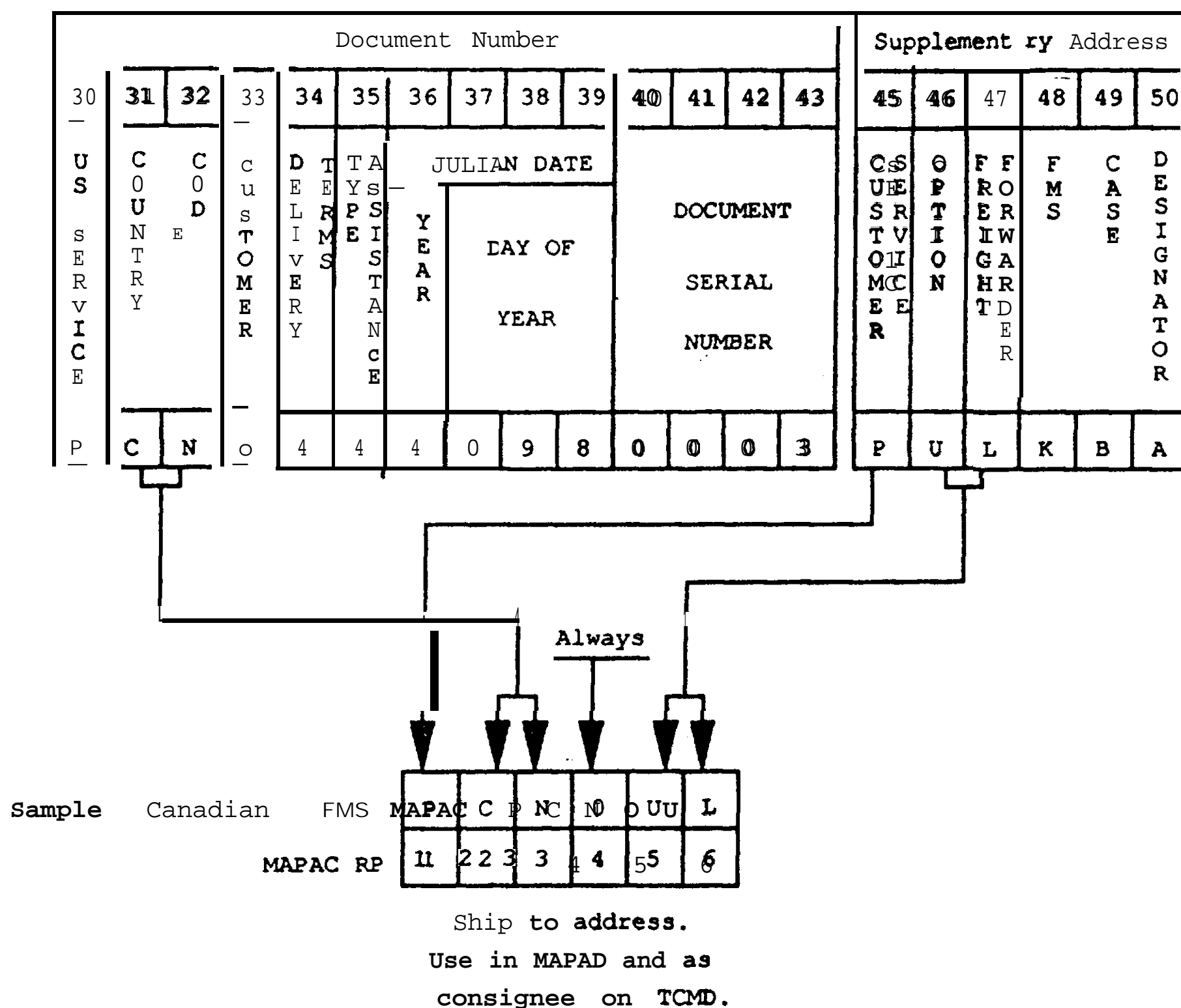


Figure K-2 (cont.)

Constructing an MAPAC

Example D

Military Assistance Program (MAP) Shipment

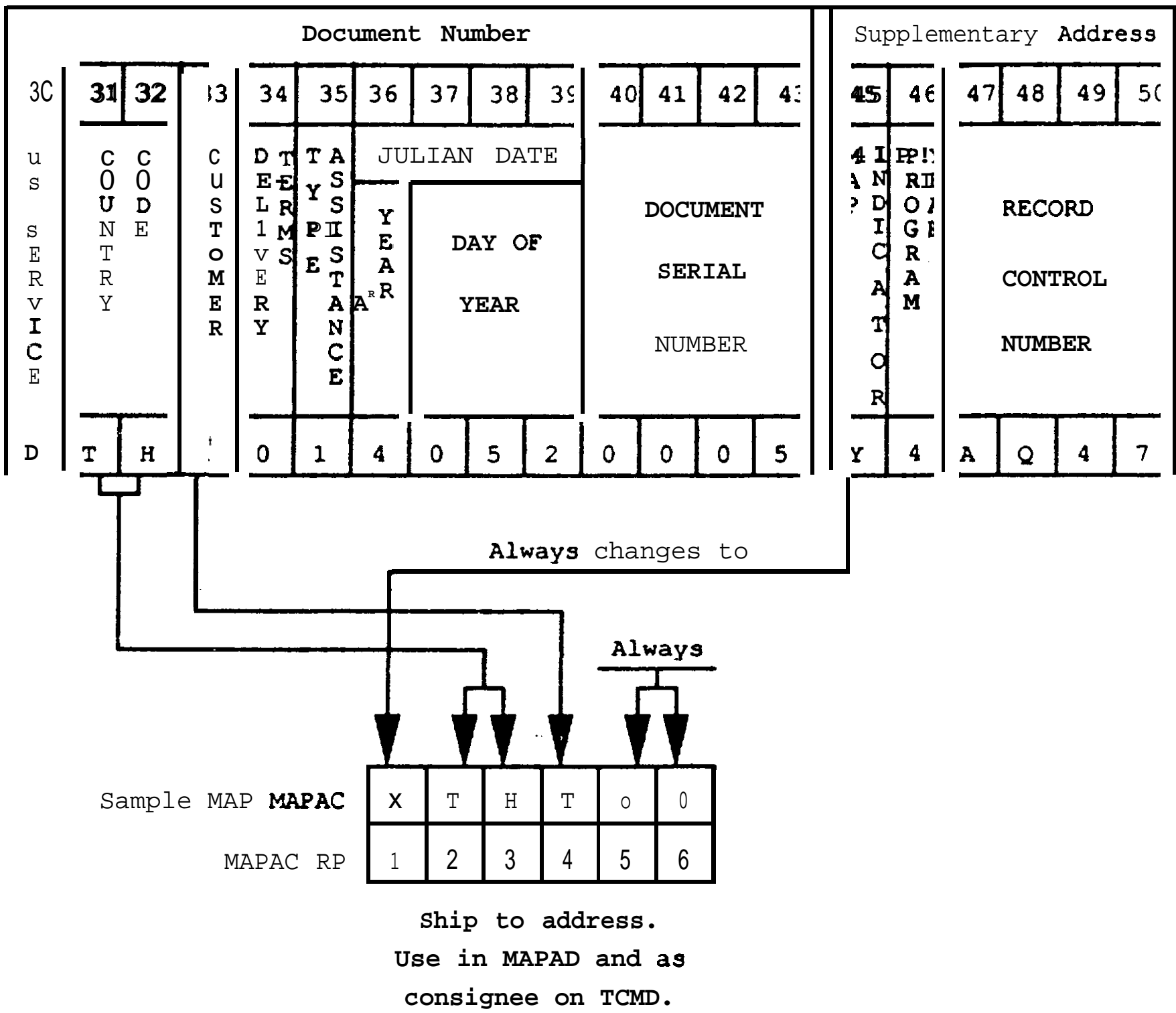


Figure K-2 (cont.)

International Logistics Control Offices Freight Forwarder Assistance

a. Army

(1) East Coast:

Commander
US Army Security Assistance Center
Freight Forwarder Assistance Office-East
ATTN: **AMSAC-OP/T** (40), Room 804 E
90 Church Street
New York, NY 10007-9998
Telephone: Commercial: (21 2) 264-2742/2743
DSN: 796-2742/2743

(2) West Coast:

Commander
US Army Security Assistance Center
Freight Forwarder Assistance **Office-West**
ATTN: **AMSAC-OP/T**, Building 201
Presidio of San Francisco, CA 94129-7846
Telephone: Commercial: (41 5) 561-6055/6223
DSN: 586-6055/6223

b. Navy and Marine Corps

Navy International Logistics Control Office
Code 252
700 Robbins Avenue, **Bldg. 4B**
Philadelphia, PA 19111-5095
Telephone: Commercial: (21 5) **697-5071**
DSN: 442-5071

c. Air Force

Air Force Logistics Command
ATTN: **AFMC/LGTT**
4375 **Chidlaw Road, Suite 6**
Wright-Patterson AFB, OH 45433-5006
Telephone: Commercial: (51 3) **257-3422/2919**
DSN: 787-3422/2979

Figure K-3